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July 14, 1961

NATIONAL SECURITY ACTION MEMORANDUM NO. 59

TO: The Secretary of State :
The Secretary of the Treasury
The Secretary of Defense
The Director, CIA

SUBJECT: Berlin

In preparation for the National Security Council meeting on Wednesday, July 19, the following are requested:

1. The Secretary of State, as Chairman of the Steering Committee of the Inter-Departmental Coordinating Group on Germany and Berlin, is requested to prepare a report evaluating two alternative courses of action from the standpoint of their effect on our international political objectives, with DOD contributing an evaluation of their military implications:

(a) A request, about 2-3 weeks hence, for \$4-\$5 billion, with necessary taxes, stand-by controls, other legislation, and Declaration of National Emergency.

(b) An immediate request for \$1-\$1.5 billion, without controls, taxes, etc., and a further request later, if necessary.

This evaluation should include an estimate of the effect of each course of action upon (i) our fighting capabilities (to be supplied by DOD), (ii) Soviet intentions, (iii) allied unity, (iv) prospects for foreign aid. It should also include a discussion of the tactics vis-a-vis our allies that would be appropriate to each of these courses of action.

2. The Secretary of State, in coordination with the Secretary of the Treasury, is requested to prepare a report on:

(a) The economic sanctions that we will now ask our allies to be ready to apply if access is blocked, and the tactics that we will

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now use in seeking allied agreement to these preparations.

(b) Likely allied reactions to this U. S. approach and the compensatory measures that we should be prepared to adopt in order to secure allied agreement.

The Director, CIA is requested to provide an estimate of the likely effect of each sanctions upon the Bloc, from both an economic and a strategic standpoint, and the probable impact on Soviet intentions. The estimate will include three alternatives: sanctions against East Germany only, the Soviet Bloc, and all of the Sino-Soviet Bloc.

3. The Secretary of Defense is requested to present a report concerning:

(a) A military operations plan for use in event our access to Berlin is blocked.

(b) The force contributions that we would need from our allies and the preparations that they would have to mount beforehand in order to make these contributions. The Department of State is requested to provide, as part of this DOD report or separately, an evaluation of the likelihood of these allied military contributions and preparations.

4. The Secretary of State is requested to prepare a political timetable which will suggest:

(a) What the timing of various deterrent measures should be before the signing of a treaty

(b) What further measures should be adopted after the signing of a treaty and before any blocking of our access, what posture the Western powers should adopt toward the signing of a treaty, and what dealings they should have with East German personnel who may appear along the access routes after the signing of a treaty

(c) What the timing should be of economic, political, and military pressures on the Bloc after blocking of our access;

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(d) The timing and nature of our negotiating positions at each of the stages indicated above.

5. The Special Counsel to the President will supervise the preparation of a report on necessary orders, proclamations, and legislation for program 1(a).

McGeorge Bundy

cc: Mr. Sorensen
Director Bell
General Taylor

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